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**Date:** 1/28/2014

**GAIN Report Number:** KS1407

## Korea - Republic of

**Post:** Seoul

### KORUS FTA Scorecard for Year 1

**Report Categories:**

Trade Policy Monitoring

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**Report Highlights:**

Since the KORUS FTA agreement went into effect on March 15, 2012, U.S. exports of many high-value, consumer-oriented agricultural products increased in export value due to tariff reductions under the agreement. Based on post's FTA scorecard, which reflects general positive trends of increasing exports and negative trends of decreasing exports; fresh fruits, tree nuts, processed fruit and vegetables and fruit juices received high scores, while exports of U.S. livestock products (beef, pork and poultry) and some bulk products (corn, cotton and soybeans) received negative scores due to an unfavorable market situation. Although exports of some U.S. agricultural commodities did not significantly increase in the first year of the KORUS FTA, the value of U.S. exports overall is forecast to continue to grow as more tariff cuts follow over the next few years.

General Information:

**KORUS FTA Scorecard by Commodity**

<Positive Commodity Group>

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Oranges</b> HS: 080510	CY 2011	CY 2012	CY 2011	CY 2012
US	161,850	210,773	95.11	95.86
World	170,176	219,887		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Orange exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>U. S. orange exports to Korea increased 42 percent from 2011, reaching \$211 million in 2012, as a result of the KORUS tariff reduction from 50 to 30 percent.</li> <li>In 2012, Korea became the largest export market for U.S. oranges, comprising nearly one-third of total U.S. orange exports by value.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Wheat</b> HS: 1001	CY 2011	CY 2012	CY 2011	CY 2012
US	506,236	763,614	30.74	43.06
World	1,647,062	1,773,167		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Wheat exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>In 2012, on a volume basis, Korea imported roughly 52 percent of its total milling wheat from the United States, followed by 41 percent from Australia, 9 percent from India, and 6 percent from Canada. U.S. wheat exports sharply increased 50 percent by value or 88 percent on a volume basis due to an increase in purchases of feed grade wheat in CY 2012.</li> <li>Upon implementation of the KORUS FTA, U.S. wheat entered the Korean market under zero-duty. For 2012, Korea allowed all wheat for milling to enter at zero duty under its autonomous TRQ. The feed wheat TRQ and its corresponding duty were eliminated in 2007.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Almonds</b> HS: 080211/080212	CY 2011	CY 2012	CY 2011	CY 2012
US	84,744	128,573	99.2	99.9
World	85,440	128,623		
<b>Result &amp; Factors</b>	<b><u>U.S. Almond exports increased in 2012</u></b>			

	<ul style="list-style-type: none"> <li>Almonds are not grown in Korea, and the United States remains the dominant supplier of almonds to Korea. Almost all imported almonds are shelled products. The bakery industry has been a major user of almonds, including slices and powder, but sales of whole almonds in retail stores have also shown strong growth.</li> <li>Korean consumers continue to demand nuts, including almonds, due to the highly publicized health benefits of eating nuts. Local food processors are also continuing to introduce new products that incorporate nut ingredients.</li> </ul>
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Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Hay and Fodder</b> HS: 1214	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>230,639</b>	<b>285,736</b>	<b>76.73</b>	<b>77.0</b>
<b>World</b>	<b>280,440</b>	<b>351,656</b>		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Hay &amp; Fodder exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>Korea relies heavily on imported hay to support its livestock industry of 3 million beef cattle and half a million dairy cows. The majority of locally grown fodder is low quality rice and barley straw. The United States remained the dominant supplier of imported hay product to Korea, accounting for 77 percent of total imports in 2012.</li> <li>The KORUS FTA provides a 200,000 MT zero-duty TRQ on 'Other' hay (HSK 1214909090).</li> <li>Korea maintains an autonomous zero-duty tariff-rate quota of 660,000 MT for HS 1214.90 and 2308.00.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Processed Fruits &amp; Vegetables</b> HS: 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 (Processed Fruits & Vegetables)	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>92,225</b>	<b>167,118</b>	<b>15</b>	<b>26</b>
<b>World</b>	<b>604,850</b>	<b>647,255</b>		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Processed Fruit &amp; Vegetable exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>Although Korea produces a significant amount of fruits and vegetables, it relies heavily on imports for processed products as locally grown fruits and vegetables, which are mainly sold at fresh produce markets, cannot fulfill total demand both in terms of volume and diversity. Although the United States faces strong competition from export-oriented competitors including China and South Asian countries, American products in general are recognized for their high quality and stable supply.</li> </ul>			

	<ul style="list-style-type: none"> <li>Major products imported from the United States in 2012 included pickled fruits &amp; vegetables (HS 2001, \$4 million), prepared tomatoes (HS 2002, \$15 million), preserved fruits &amp; vegetables (HS 2004, HS 2005, \$105 million), fruits jams and marmalades (HS 2007, \$4 million) and other preserved fruits and vegetables (HS 2008, \$40 million).</li> </ul>
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Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Fishery Products</b> HS: 03 / 1604 / 1605	CY 2011	CY 2012	CY 2011	CY 2012
US	141,899	169,201	3.7	4.64
World	3,833,283	3,645,623		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Fish and Seafood product exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>Despite Korea's seafood imports from all origins in 2012 being down 5 percent from \$3.83 billion in 2011, imports from the United States were up 19 percent from \$142 million in 2011.</li> <li>Three species are subject to the zero-duty Tariff Rate Quota under the KORUS FTA (Flatfish, Alaska Pollack, Croaker)</li> <li>Frozen Flatfish (\$24.5 million, up 28 percent – this is one of the three TRQ fish products under the KORUS FTA), Frozen Skate (\$8.9 million, up 14 percent – rising price), Live Glass Eel (\$6.5 million, up 2,700 percent – demand for U.S. product exploded due the shortage of domestic live eels), and Live Hagfish (\$7.6 million, up 17 percent – 10% tariff reduced over 3 years and short supply of local hagfish) were some of the items driving the increase in 2012.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Fresh Cherries</b> HS: 080929.0000	CY 2011	CY 2012	CY 2011	CY 2012
US	45,472	80,929	95	98
World	47,889	82,710		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Fresh Cherry exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>The market for imported fresh cherries in Korea has grown dramatically in recent years. Locally grown cherries are less competitive than imported American cherries in terms of quality and supply.</li> <li>The United States (particularly the northwest region) is likely to remain the dominant supplier of fresh cherries to Korea. New Zealand cherries do not present direct competition to American cherries as they are imported in the winter months.</li> </ul>			

Product & H.S.	Imports (US \$1,000)	Market Share (%)
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Code				
<b>Fruit Juices</b> HS: 2009, Fruit juices (including grape must) and vegetable juices	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>50,099</b>	<b>77,186</b>	<b>28</b>	<b>38</b>
World	176,610	203,080		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Fruit Juices exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• Korea maintains a strong beverage processing industry which relies heavily on imported fruit and vegetable juices. Locally grown fruits and vegetables mainly target the fresh produce market where they receive a higher price. Imports of retail package juice products are also on the rise due to increased consumer demand for new tastes and premium quality product.</li> <li>• The United States has remained the leading supplier of juices to Korea, followed by Brazil and Chile. The United States mainly exports orange juice, grape juice, and apple juice to Korea. Korean consumers are paying increased attention to products that emphasize healthy fruit ingredients, such as blueberries and pomegranate, and imports of related products are likely to see strong growth in the coming year.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Potatoes, frozen</b> HS: 200410	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>62,658</b>	<b>77,834</b>	<b>86.98</b>	<b>89.57</b>
World	72,041	86,897		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Frozen Potato increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• Notable tariff reductions for frozen French fries (18% → zero) and frozen potatoes (27% → 21.6 %) under the KORUS FTA in 2012.</li> <li>• Growing interest in frozen potatoes from a wider range of outlets.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Wine</b> HS: 2204	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>12,345</b>	<b>17,173</b>	<b>9.35</b>	<b>11.66</b>
World	132,075	147,260		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Wine exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• Upon implementation of the KORUS FTA, American wine began entering Korea duty free.</li> <li>• Despite increased competition from both old world and new world suppliers, American wine is expected to remain one of the top choices of local wine consumers where it is perceived to be of good value and unique quality.</li> </ul>			

	<ul style="list-style-type: none"> <li>Wine currently comprises about 2 percent of total alcohol beverage consumption in Korea, with strong growth potential.</li> </ul>
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Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Dried Distillers Grains (DDGs)</b> HS: 2303.30	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>131,396</b>	<b>150,167</b>	<b>90.97</b>	<b>94.32</b>
<b>World</b>	<b>144,406</b>	<b>159,208</b>		
<b>Result &amp; Factors</b>	<p><b><u>U.S. DDGs exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>Korea is the fifth largest market for U.S. distillers dried grain (DDGs). From 2010 through 2012, U.S. suppliers shipped an annual average of 475,000 tons of DDGs valued at \$136 million. The U.S. share of Korea's import market has been about 92 percent during the past three years.</li> <li>Korea's imports of U.S. DDGs for feed entered the market at zero duty immediately upon implementation of the agreement.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Chocolate &amp; Confectionery</b> HS: 1704 / 1806	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>91,181</b>	<b>104,164</b>	<b>27</b>	<b>29</b>
<b>World</b>	<b>339,070</b>	<b>357,762</b>		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Chocolate &amp; Confectionery exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>Korea's imports of sugar confectionaries (HS1704) and chocolate confectionaries (HS1806) totaled \$97 million and \$261 million in 2012, up 11 percent and 35 percent respectively.</li> <li>Demand for imported confectionery products is likely to experience strong growth in the coming year as Korean consumers look for new tastes, diversity, and high quality products.</li> <li>The U.S. remained a leading supplier to Korea for both categories with exports of \$16 million and \$89 million in 2012, up 30 percent and 12 percent respectively. Notably, over 30 percent of annual confectionery sales occur during holidays celebrated by young consumers, including Valentine's Day, White Day (2nd Thursday in March), and Christmas.</li> </ul>			

Product &	Imports (US \$1,000)	Market Share (%)
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H.S. Code				
<b>Walnut</b> HS: 080231 / 080232	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>81,328</b>	<b>98,010</b>	<b>100</b>	<b>85.7</b>
World	81,328	114,308		
<b>Result &amp; Factors</b>	<p><b><u>U.S. walnut exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• Demand for walnuts remains strong in Korea due to their highly publicized health benefits. Local food processors are also continuing to introduce new products that incorporate walnuts. Currently, local production of walnuts is very limited in Korea due to unfavorable weather conditions.</li> <li>• The United States has been the dominant supplier of walnuts to Korea. Although imports of American walnuts continued to have strong growth in 2012, market share declined significantly due to the entry of Chilean walnuts in the Korean market. Almost all imported walnuts are shelled products.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Coffee</b> HS: 0901 / 21011	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>29,505</b>	<b>42,651</b>	<b>4.2</b>	<b>7.3</b>
World	699,306	581,529		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Coffee exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• In 2012, there were about 12,000 specialty coffee shops, such as Starbucks and Café Bene, a 20 percent increase over 2011.</li> <li>• Most roasted coffee beans imported from the U.S. are handled by U.S.-based coffee franchises such as Starbucks, Coffee Bean and Tea Leaf. In addition to these chains, fast food restaurants, such as McDonald's and Lotteria also import roasted coffee beans.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Whey &amp; Whey Products</b> HS: 040410, Whey, Including Modified Whey, Whether Or Not Concentrated or Sweetened	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>13,583</b>	<b>23,324</b>	<b>32</b>	<b>35</b>
World	42,939	66,687		
<b>Result &amp; Factors</b>	<b><u>U.S. Whey &amp; Whey Product exports increased in 2012</u></b>			

	<ul style="list-style-type: none"> <li>Whey powder is not produced locally in Korea. Seventy percent of imported whey powder is utilized for animal feed and milk replacer. Other whey imports are used primarily for bakery items, ice cream manufacturing and baby formula production. The United States accounted for 47 percent of the Korean whey market by volume in 2012. The major competitors for the United States in the Korean market are the EU and Canada.</li> </ul>
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Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Egg Products</b>	CY 2011	CY 2012	CY 2011	CY 2012
HS: 0407 / 0408 / 3502				
<b>US</b>	<b>16,791</b>	<b>17,590</b>	<b>49.38</b>	<b>44.52</b>
World	34,004	<b>39,511</b>		
<b>Result &amp; Factors</b>	<u><b>U.S. Egg Product exports increased exports increased in 2012</b></u> <ul style="list-style-type: none"> <li>Tariff went down marginally from 27 percent to 24.7 percent in 2012.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Lemons</b>	CY 2011	CY 2012	CY 2011	CY 2012
HS: 080550				
<b>US</b>	<b>8,878</b>	<b>15,071</b>	<b>86</b>	<b>88</b>
World	10,365	<b>17,168</b>		
<b>Result &amp; Factors</b>	<u><b>U.S. Lemons exports increased in 2012</b></u> <ul style="list-style-type: none"> <li>Korea is the third largest market for U.S. lemons. In 2013, lemon imports are expected to increase by more than 30 percent over the previous year. Traditionally, lemons were not consumed extensively in Korean homes but were mostly used in restaurants as garnish.</li> <li>However, extensive overseas travel by Koreans and the newly reported health benefits of lemons has resulted in increased growth in imports.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Popcorn</b>	CY 2011	CY 2012	CY 2011	CY 2012
HS: 100590.2000				
<b>US</b>	<b>4,708</b>	<b>7,218</b>	<b>80.5</b>	<b>95</b>
World	5,846	<b>7,596</b>		
<b>Result &amp; Factors</b>	<u><b>U.S. Popcorn exports increased in 2012</b></u> <ul style="list-style-type: none"> <li>Korean consumers generally prefer freshly popped popcorn. Popcorn is primarily consumed at movie theaters where it is popped on-site and then sold to moviegoers.</li> </ul>			

	<ul style="list-style-type: none"> <li>• The remainder is mainly used in the food processing sector where it is popped, repackaged and sold at retail outlets across Korea. Despite the fact that many Korean homes have a microwave oven, only a small amount of microwaveable popcorn is consumed at home. This is because microwaveable popcorn is associated with saturated fats and considered to be an unhealthy food product.</li> <li>• The market for imported popcorn, nearly all of which is of U.S.-origin, has grown steadily in recent years. In 2012, imports of U.S. popcorn reached nearly 8,000 metric tons, valued at \$7.2 million, up 53 percent by value and 24 percent by volume.</li> </ul>
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Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Pomegranates</b> HS: 081090.9000	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>14,044</b>	<b>19,410</b>	<b>97</b>	<b>97</b>
World	14,460	20,078		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Pomegranates exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• In recent years, the United States gained a 97 percent market share of the imported pomegranate market in Korea as a result of a devastating freeze and consecutive bad crops in Iran, Korea's previous top supplier.</li> <li>• U.S. exporters seized this opportunity by providing quality fruit which Korean importers prefer because U.S. fruit is more uniform and consistent in color, shape and size than imports of other origin.</li> <li>• Pomegranates are very popular in Korea because of their purported health benefits and supply is not always sufficient to meet demand.</li> <li>• Korean consumers remain health conscious and on the lookout for health foods and foods with functional values. Mass media advertising and internet bloggers help promote frenzied consumption of the latest health food or functional product.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Grapefruit</b> HS: 080540	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>10,543</b>	<b>11,442</b>	<b>93</b>	<b>83</b>
World	11,412	13,749		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Grapefruit exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• Imports of U.S. grapefruit were valued at \$11.4 million in 2012, up by 9 percent from 2011. Although typically priced higher than imported oranges, grapefruit is increasing in</li> </ul>			

	<p>popularity and sales.</p> <ul style="list-style-type: none"> <li>Red Ruby grapefruit is growing in popularity as Korean consumers prefer sweeter and milder varieties. The purported health benefits of the aging population in Korea consuming grapefruit is expected to stimulate demand into the future. Grapefruit is becoming a substitute for oranges which have long been a winter time favorite for Korean consumers.</li> </ul>
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Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Pistachios</b> HS 080251 / 080252, Pistachios, Fresh or Dried, Shelled or Peeled	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>2,468</b>	<b>6,669</b>	<b>82</b>	<b>95</b>
World	3,000	6,996		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Pistachios exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>There is strong demand in Korea for various tree nuts due to the highly publicized health benefits of eating nuts. Almonds and walnuts are the leading products in the market but demand for other specialty nuts, including pistachios, is likely to expand in the coming years.</li> <li>No pistachios are grown in Korea and the United States remains the dominant supplier. While in-shell pistachios are enjoyed largely as a healthy snack or side dish with alcohol beverages, shelled products are used by the processing industry for various applications, including baking, snacks, and ice cream.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Distilled Spirits</b> HS: 2208	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>7,435</b>	<b>8,034</b>	<b>2.86</b>	<b>3.23</b>
World	260,418	248,737		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Distilled Spirits exports increased 2012</u></b></p> <ul style="list-style-type: none"> <li>Upon implementation of the KORUS FTA, the import duty on Bourbon whisky was eliminated immediately while duties on other American spirits are on a either a 5 or 10 year phase-out schedule.</li> <li>While there was stagnant growth in consumption of Scotch whiskey in 2012, with the economic slow-down there is increased consumer demand for cocktail drinks in bars and restaurants that generated strong growth in non-Scotch distilled spirits, including American bourbon and rye whiskey.</li> </ul>			

Product &	Imports (US \$1,000)	Market Share (%)
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H.S. Code				
<b>Fresh Grapes</b> HS: 080610	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>14,485</b>	<b>15,666</b>	<b>13</b>	<b>11</b>
World	114,745	138,685		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Fresh Grapes exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• Korean farms produce about 300,000 tons of fresh grapes every year, 90 percent of which are marketed from August through September. About 10 percent of local grapes are produced in greenhouses and are marketed in other seasons. Almost all local grapes are consumed fresh, and only about 5,000 tons were used for processing in 2011.</li> <li>• Imported fresh grapes target the Korean market when local grapes are not available. Chile, which is subject to lower import duties than other exporters as a result of the Korea-Chile Free Trade Agreement implemented in 2004, is the leading supplier of imported fresh grapes to Korea. Both Chilean and American fresh grapes imports target affluent consumer groups which maintain stronger demand for new and international tastes. Imported grape varieties include Red Globes and Thompson Seedless.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Onions</b> HS: 070310.1000	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>0</b>	<b>2,757</b>	<b>0</b>	<b>13</b>
World	6,058	21,174		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Onions exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>• Korea produces a significant quantity of onions. In fact, onions are the second most produced fresh vegetable in Korea after Chinese cabbage. However, seasonal fluctuations in local harvests as well as the need for low-cost onions for processing use generate demand for imports.</li> <li>• Onion imports totaled 41,970 metric tons in 2012, up 200 percent from the previous year. Imports of onions have fluctuated significantly over the years from 10,000 to 40,000 metric tons annual, depending on the supply available from local farms. The United States remained the second largest supplier of onions to Korea in 2012 shipping 5,160 metric tons. Despite a continued increase in onion acreage on local farms (23,000 ha as of 2011), production totaled 1.2 million metric tons in 2012, down 21 percent from the previous year, largely due to an unfavorable growing season.</li> <li>• China is likely to remain the leading supplier of onions but the demand for higher quality American onions should also remain solid in the coming years.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)	Market Share (%)
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<b>Dried Fruits</b> 0804100000 (Dates), 0804200000 (Figs), 0806200000 (Raisins), 0813 (Dried Fruits) Note: Figures do not include dried guava, mango, banana and citrus fruits as HSK provides no data.				
	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>14,133</b>	<b>16,285</b>	<b>59</b>	<b>55</b>
World	24,088	29,497		
<b>Result &amp; Factors</b>	<b><u>U.S. Dried Fruits exports increased in 2012</u></b> <ul style="list-style-type: none"> <li>• Korea produces about 2 million tons of fruit each year but most of the local fruit is for fresh consumption. As a result, Korea largely depends on imports for dried fruit. While the processing industry remains the main user of imported dried fruit for bakery and confectionery applications, an increased number of consumers enjoy eating dried fruit directly as healthy snacks.</li> </ul>			
	<ul style="list-style-type: none"> <li>• Dried fruits from the United States are recognized for high quality and value. The main dried fruits imported from the United States in 2012 were raisins (\$11.7 million) and prunes (\$3.6 million). The increasing health consciousness of Korean consumers should generate new opportunities for dried fruits, such as dried blueberries and cranberries, in the coming year.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Cheese</b> HS: 0406	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>140,233</b>	<b>140,596</b>	<b>39</b>	<b>39</b>
World	357,918	359,718		
<b>Result &amp; Factors</b>	<b><u>U.S. Cheese exports increased in 2012</u></b> <ul style="list-style-type: none"> <li>• In 2012 Korea was the United States' second largest market for cheese and curd with exports of around \$140.6 million. Mozzarella, processed, and ripened cheeses are all significant categories. The U.S. market share in Korea for all cheeses is 39 percent, followed by New Zealand with 28 percent, the EU with 19 percent and Australia with 9 percent.</li> </ul>			
	<ul style="list-style-type: none"> <li>• Korea's per capita consumption of dairy products is expected to grow about 15 percent over the next decade reflecting the growing economy, Korean's exposure to a Western diet, a rise in fast food outlets, and a growing consumer appetite for pizza and pasta. Most domestically processed cheese is manufactured from imported fresh cheese.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)	Market Share (%)
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<b>Barley, except malting barley</b> HS: 1003.00.9010, 1003.00.9020, 1003.00.9090	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>0</b>	<b>690</b>	<b>0</b>	<b>6.4</b>
<b>World</b>	7,256	<b>10,860</b>		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Common Barley exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>A zero-duty tariff rate on TRQ imports under the KORUS FTA. U.S. common barley was mainly used for barley tea and for mixing with table rice at home and in restaurants.</li> <li>Raw materials for traditional sauce and for animal feed. (Korea also maintains a duty-free tariff-rate quota for barley for feed of 50,000 MT.)</li> </ul>			

Source: Global Trade Atlas, HS 1003009010 (Common Barley), 1003009020 (Naked Barley) and 1003009090 (other). However, in 2012, Korean government changed the applied HS code into 1003902000 (Common Barley), 1003903000 (Naked Barley) and 1003909000 (Other)

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Barley for malting</b> HS: 1003.00.1000	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>0</b>	<b>419</b>	<b>0</b>	<b>2.1</b>
<b>World</b>	9,260	<b>19,881</b>		
<b>Result &amp; Factors</b>	<p><b><u>U.S. Malting Barley exports increased in 2012</u></b></p> <ul style="list-style-type: none"> <li>A zero-duty tariff rate on TRQ imports under the KORUS FTA. In 2012, Korea imported 809 MT of U.S. malting barley or \$419,362 for the first time following implementation of KORUS FTA. Malting barley has typically been consumed as Korean traditional sweet rice juice (sikhye), and as raw material for traditional sauce. Recently, animal growers have used malting barley seed to cultivate forage for animal feed. Micro brewers also used a small amount of malting barley.</li> <li>In 2012, Korea had an autonomous tariff-rate quota (TRQ) for 64,500 tons of malting barley with a zero percent tariff.</li> </ul>			

Source: Global Trade Atlas, HS 1003001000, Malting Barley. However, in 2012, Korean government changed the applied HS code into 1003901000.

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Barley Malt</b> HS: 1107.10	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>World</b>	110,813	<b>118,491</b>		

<b>Result &amp; Factors</b>	<b><u>U.S. malt exports remained unchanged in 2012</u></b>			
	<ul style="list-style-type: none"> <li>A zero-duty tariff rate on TRQ under the KORUS FTA. Australia is the dominant player in the Korean barley malt market, followed by Canada, the EU and China.</li> <li>In 2012, Korea had an autonomous tariff-rate quota (TRQ) of 274,000 tons for barley malt with a zero percent tariff.</li> </ul>			

Product & H.S. Code		Imports (US \$1,000)		Market Share (%)	
<b>Limes</b> HS 0805502010 / 0805502020 Limes (Citrus Aurantifolia / Latifolia), Fresh/Dried		CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>		58	246	91	77
<b>World</b>		64	321		
<b>Result &amp; Factors</b>	<b><u>U.S. Limes exports increased in 2012</u></b>				
	<ul style="list-style-type: none"> <li>The United States is Korea's largest supplier of limes and enjoys a 90 percent share of a small but growing market. In 2012, Korea imported approximately \$321,000 in limes with \$246,000 coming from the United States.</li> <li>Limes are not consumed extensively in traditional Korean meals. Nevertheless, increasing overseas travel by Koreans and the newly perceived health benefits of limes has resulted in growth in import volumes.</li> </ul>				

### <Negative Commodity Group>

Product & H.S. Code		Imports (US \$1,000)		Market Share (%)	
<b>Cotton, raw</b> HS: 520100 / 140420		CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>		402,250	171,593	47.06	24.96
<b>World</b>		854,825	687,500		
<b>Result &amp; Factors</b>	<b><u>U.S. raw cotton exports decreased in 2012</u></b>				
	<ul style="list-style-type: none"> <li>The applied duty rate on raw cotton (5201) was already zero percent prior to 2012.</li> <li>Exports of U.S. cotton fluctuate with the supply and prices of Brazilian cotton and Australian cotton.</li> </ul>				

Product &	Imports (US \$1,000)	Market Share (%)
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H.S. Code				
<b>Corn</b>				
HS: 100590	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>1,934,479</b>	<b>928,806</b>	<b>77.52</b>	<b>35.72</b>
World	2,495,592	<b>2,600,503</b>		
<b>Result &amp; Factors</b>	<p><u><a href="#">U.S. corn exports decreased in 2012</a></u></p> <ul style="list-style-type: none"> <li>• Korea is the third largest market for U.S. corn. From 2009 through 2011, U.S. suppliers shipped an annual average of 6.4 million tons of corn valued at \$1.2 billion. However, 2012 U.S. corn exports decreased sharply by 50 percent from 2011 on a value basis or 53 percent by volume due to severe drought.</li> <li>• U.S. corn continues to face strong competition with corn from South America, Eastern Europe and the Black Sea region.</li> <li>• In 2012, Korea imported large quantities of corn duty-free under an autonomous tariff-rate quota.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Rice</b>				
HS: 1006	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>125,429</b>	<b>47,702</b>	<b>28.74</b>	<b>28.26</b>
World	436,426	<b>168,826</b>		
<b>Result &amp; Factors</b>	<p><u><a href="#">U.S. Rice exports decreased in 2012</a></u></p> <ul style="list-style-type: none"> <li>• There is no change in access to the Korean market for U.S. rice under the KORUS FTA.</li> <li>• All imported rice enters the Korean market through a minimum market access (MMA) agreement under terms of the WTO Uruguay Round Agreement on Agriculture.</li> <li>• The MMA is divided into two sections, namely the Country Specific Quota (CSQ) and the Global Quota (GQ). The CSQ consists of 205,228 metric tons (MT) and is divided each year among four exporting countries, while the GQ is allocated by type: short grain, medium grain, and long grain. Under the 2012 MMA, Korea's purchases of U.S. rice totaled 100,901 MT, or \$78 million, which included the CSQ of 50,076 MT and 50,825 MT under the GQ.</li> <li>• In 2012, U.S. rice imports declined primarily due to the timing of the MMA delivery dates.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Soybeans &amp; Products</b>				
HS: 120100	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>323,073</b>	<b>308,772</b>	<b>47.77</b>	<b>42.20</b>
World	676,294	<b>731,627</b>		

<b>Result &amp; Factors</b>	<b><u>U.S. Soybeans &amp; Products exports decreased in 2012</u></b>
	<ul style="list-style-type: none"> <li>The local crushing and soybean processing industries are both mature with demand for imported beans expected to remain steady for the foreseeable future. In 2012, imports totaled 1.1 million tons, of which 814,139 tons were for crushing and the remaining 325,665 tons were for food use (e.g. tofu, soymilk, soy sauce, sprouts, etc).</li> </ul>
	<ul style="list-style-type: none"> <li>During this same period, U.S. soybeans reached nearly 494,465 tons, accounting for 43 percent of total imports, sharply declining from 2011 due to the severe drought. U.S. soybeans face strong competition from crushing beans from South American countries and food grade beans from China.</li> </ul>
	<ul style="list-style-type: none"> <li>Under the KORUS FTA, the duty on crushing soybeans immediately fell to zero, while the autonomous tariff rate quota (TRQ) for crushing soybeans was one million tons and the in-quota duty was cut from 3 to zero percent to help alleviate inflationary pressure.</li> </ul>
	<ul style="list-style-type: none"> <li>A zero-duty TRQ for 10,000 tons of food grade soybeans was established in the first year of the agreement, increasing to 20,000 MT in year two and 25,000 MT in year three. For years four and beyond, the TRQ will grow three percent annually in perpetuity. However, Korean food soybean processors imported just 3,453 MT or 35 percent of the 2012 KORUS FTA quota due to unexpectedly high U.S. soybean prices.</li> </ul>
	<ul style="list-style-type: none"> <li>The WTO TRQ for #1 food grade soybeans was 320,000 MT with an in-quota duty of 5 percent in 2012.</li> </ul>

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
	CY 2011	CY 2012	CY 2011	CY 2012
<b>Potatoes, fresh</b> HS: 070190				
US	8,915	8,469	47.96	46.48
World	18,588	18,220		
<b>Result &amp; Factors</b>	<b><u>U.S. Fresh Potatoes exports decreased in 2012</u></b> <ul style="list-style-type: none"> <li>U.S. fresh potato imports were down slightly due to the ban on table stock put in place by Korea following the zebra chip detection in the United States in August 2012.</li> <li>U.S. Chip stock potatoes are still coming in with zero duty during the December 1 – April 30<sup>th</sup> period.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
	CY 2011	CY 2012	CY 2011	CY 2012
<b>Beef</b> HS: 0201 / 0202 / 021020 / 160250				
US	599,125	471,734	39.32	37.39
World	1,523,673	1,261,645		
<b>Result &amp; Factors</b>	<b><u>U.S. Beef exports decreased in 2012</u></b>			

	<ul style="list-style-type: none"> <li>• High domestic beef production in Korea kept beef imports down in 2012.</li> <li>• Importers were unable to recover for 6-7 months following the April 2012 BSE incident in California, which forced them to freeze their chilled beef stocks.</li> </ul>
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Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Pork</b> HS: 0203 / 0210 / 1602	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>477,031</b>	<b>367,127</b>	<b>30.16</b>	<b>29.66</b>
<b>World</b>	1,581,522	1,237,632		
<b>Result &amp; Factors</b>	<p><u><a href="#">U.S. Pork exports decreased in 2012</a></u></p> <ul style="list-style-type: none"> <li>• Pork import numbers in 2011 were abnormally high due to the low inventory of domestic pork following the outbreak of FMD in late 2010.</li> <li>• Domestic pork supplies have recovered to the pre-FMD level and have kept imports down in 2012.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Poultry</b> HS: 0207	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>130,417</b>	<b>92,376</b>	<b>58.40</b>	<b>37.43</b>
<b>World</b>	223,318	246,788		
<b>Result &amp; Factors</b>	<p><u><a href="#">U.S. Poultry exports decreased in 2012</a></u></p> <ul style="list-style-type: none"> <li>• Chicken meat is very price sensitive and Brazil's price was low in 2012.</li> <li>• 2011 U.S. chicken meat imports were exceptionally high due to the 50,000 MT duty-free TRQ.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
<b>Logs</b> HS: 4403	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>163,476</b>	<b>123,993</b>	<b>21</b>	<b>19</b>
<b>World</b>	793,793	655,476		
<b>Result &amp; Factors</b>	<p><u><a href="#">U.S. Log exports decreased in 2012</a></u></p> <ul style="list-style-type: none"> <li>• U.S. exports of softwood and hardwood logs to Korea declined in 2012 but the United States became the 2nd largest supplier in the market after New Zealand. Russian exports are limited by the government's export policy, which taxes log exports.</li> </ul>			

Product & H.S. Code	Imports (US \$1,000)		Market Share (%)	
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<b>Ice Cream</b>				
HS: 210500	CY 2011	CY 2012	CY 2011	CY 2012
<b>US</b>	<b>7,164</b>	<b>3,141</b>	<b>33</b>	<b>17</b>
World	22,012	<b>18,375</b>		
<b>Result &amp; Factors</b>	<p><u><a href="#">U.S. Ice Cream exports decreased in 2012</a></u></p> <ul style="list-style-type: none"> <li>• Ice cream registered positive retail sales growth in Korea, up 5 percent to reach \$1.2 billion in 2012. Imported ice cream captures about 10 percent market share by value but less than 5 percent by volume according to industry sources. Premium ice cream, both imported and domestic is distributed by convenience stores, department stores and discount stores. Popular national brands from the United States are recognized by Korean consumers.</li> <li>• Although the main season for ice cream consumption is still summer, Korean consumers are now purchasing ice cream year-round. The average unit price increased by 3 percent in 2012 as a result of growing sales of premium products and higher raw material prices. Ice cream sold in large retail chains is often sharply discounted and sold as a loss leader to attract customers. Small independent grocers also slash prices to increase customer traffic.</li> </ul>			